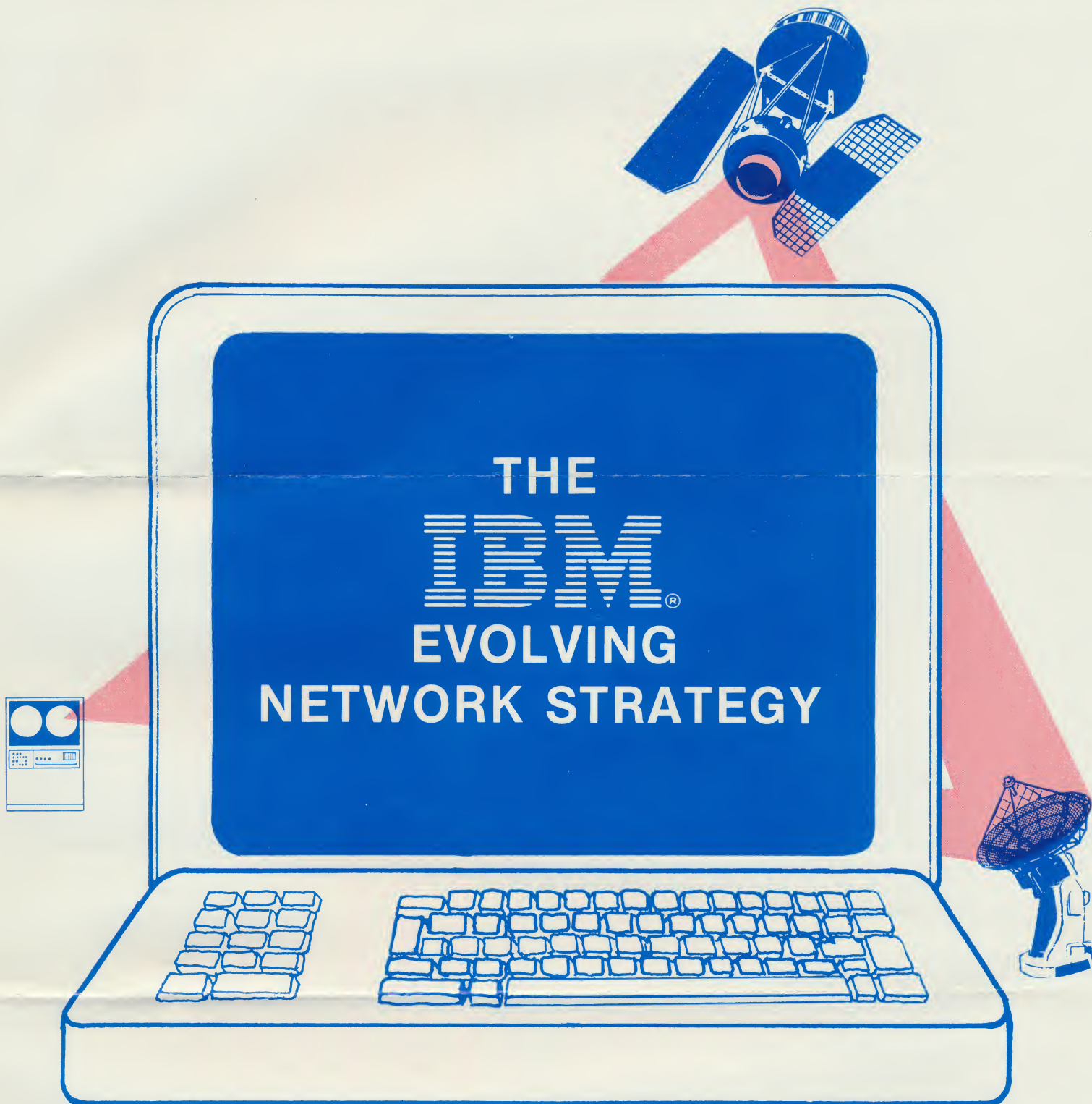




the
YankeeGroup

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FEBRUARY 13, 14, PALO ALTO
MARCH 25, 26, NEW YORK

IBM STRATEGY RESTS

THE IBM STRATEGY — To ride the technology curve and to leverage its dominant EDP industry position.

The First Tactic: To extend the efficiencies of its mainframe computer business.

Weapons: 303X, 4341, SNA, H Series . . .

Goal: The Care and Preservation of The Hierarchical Host-Oriented Computer Net.

The Second Tactic: To counterpunch the distributed data market with a variety of products that focus on coherent networks, and specifically on the "satellite" processor.

Weapons: 4331, 8100, System/38, System/34, System/33, SNA Flexibility (peer-coupling).

Goal: To regain and redirect the ability to lead its customers' computing direction.

The Third Tactic: To prime the pump for a new generation of computing applications.

Weapons: Software, Unbundling, Pricing.

Goal: To enhance programmer productivity through DBMS so that new software development can proceed without program maintenance bottlenecks.

These three tactics will be instrumental in "IBM's Evolving Network Strategy," which is the subject of this seminar. It is aimed at users who must make **tough acquisition** decisions over the next eighteen months...and at those software, hardware, and carrier companies who must plan their competitive responses.

We feel that you will insist on attending.

Howard Anderson
The Yankee Group



TOPIC I: MAINFRAMES THROUGH THE H SERIES

Recent 303X purchase price reductions, attractive lease/purchase options, and a 3032 "mid-life kicker" (3033N) have extended the reign of these 370-carryovers. Users have been slow to purchase these machines in **anticipation of the H Series** (which probably will not be announced). How will these users react to IBM's latest ploy? What will happen to plug-compatible mainframe makers? How will IBM's pricing policies affect the EDP industry?

It is the conclusion of Yankee Group research that the H Series will offer a new **multiprocessor database architecture** which will facilitate the higher speeds, advanced functions, and large memories that the IBM user community will require in the 1980s. The conference will examine our expectations of the technology, the performance, the features, the pricing, and the announcement timing.

TOPIC II: MINICOMPUTERS

IBM has moved forcefully into this heretofore neglected market...offering users a number of alternatives through its Data Processing and General System Divisions. The 4331, 8100, and System/38, plus enhanced System/34 and Series/1 offerings, have put **IBM squarely into the satellite processor/distributed computing market**. Using the 4331's unique advantage (370 program-compatibility), IBM has attempted to **divide the market into two distinct sectors** — the 4300 in one segment, all other minis in the other. How important is the 4300's host program-compatibility? Now? In the future? How will IBM take advantage of it to propitiate its network development strategies? What will be the 4331 impact on other minis in IBM host environments?

The 8100 is **one of the four uniquely architected, solution-oriented minicomputers that IBM is now offering** to address different user requirements...all of which fit into a particular network niche. The 8100 is intended to be an SNA satellite node/communications controller/concentrator, but it has excellent potential as a dedicated application machine. What are IBM's plans? What are the 8100's shortcomings? When/how will these be addressed?

S ON THREE TACTICS.

GSD's System/34 is a well-supported application-oriented processor for small-to-medium-sized business users. The System/34 is a large applications processor embodying state-of-the-art technology and facilities, including a Relational DBMS. The Series/1 is a general purpose "naked mini" that is attracting numerous OEMs and software houses with its quantity discounts and excellent performance in a variety of applications.

How will IBM sell these diverse systems? Will IBM also offer quantity discounts on the 8100? 4331? What are the opportunities for plug-compatible peripheral makers, for software/systems houses, for other minicomputer vendors?

TOPIC III: USER RESPONSE

One major focus of the conference will be the user response to IBM's evolving network strategy. The Yankee Group recently surveyed a statistically significant sample of large EDP users, and found that **only 40-45% of the original 4300 orders**, and less than **30% of 8100 orders are to be accepted**. However, surveyed users are moving ahead with **multiapplication**, multihost networking plans. Nonetheless, they are confused and frustrated by lengthy delivery schedules. There are still performance, networking and compatibility questions to be answered on both the 8100 and 4300. Where do they fit? How are users intending to implement them? How will IBM assuage users' apprehensions? When?

The large EDP user must now make some hard decisions in the face of uncertain economic conditions. These plans will have definite repercussions through the early 1980s. This conference will aid users in developing their strategies.

TOPIC IV: SYSTEMS NETWORK ARCHITECTURE

SNA is alive and well and embodied in all new IBM products and systems. Introduced five years ago, SNA's objective was to impose an orderly, coherent networking solution for the large decentralized IBM user. **The "star" hierarchical structure of SNA that inextricably linked functional components via hardware, software, and microcode, virtually bound the IBM users to specific and costly IBM solutions.** These early difficulties and complexities were the result of IBM bringing together a decade's worth of data communications offerings.

But SNA has significantly changed during the past twelve-to-eighteen months. The 4300 and 8100, plus network software enhancements, have made it more flexible, particularly at the end-user level. Users are still moving cautiously, but SNA is winning wider acceptance. This conference will analyze SNA's recent enhancements and their impact. SNA's current problems and possible short- and long-term solutions will also be discussed.

TOPIC V: BROADBAND COMMUNICATIONS

Satellite Business Systems will launch their satellite on October 23, 1980. **How will large users take advantage of broadband communications?** What are the benefits?

Today, wideband communication is limited to AT&T's Digital Dataphone Service (DDS) and American Satellite's 56 Kilobit service (plus a handful of private microwave and T-1 circuits). Both DDS and AmSat services have underwhelmed the market because users have been unable to develop suitable, cost-justified applications. Tomorrow, they will have access to more T-1 circuits from AT&T (1.544 Megabits), 256 Kilobits from the Xerox Xten network, and up to 6.3 Megabits (T-2 Carrier) from SBS.

The Yankee Group has concluded that SBS will be going through two radical changes (Mod II, Mod III) over the next **eighteen months** which will dramatically change the direction of the company, and be crucial in the ultimate survival of SBS.

TOPIC VI: CASE STUDIES

Three large IBM users in **manufacturing, finance, and services** will present their company's evaluations, plans, and strategies in the face of overwhelming technical and price options.

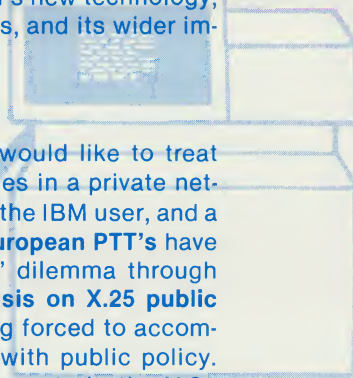
The stakes are high. If the EDP strategy is **only** viewed as a **support function**, it will **lag** behind the rest of the corporation, requiring constant retrofitting and software rewriting — an **anchor** to the corporations own direction and a **roadblock** to cost effective data processing. But if the EDP strategy is **integrated** into the corporate plan, it offers the user a definitive competitive advantage.

The goals of the case studies are: to **examine models** of successful and unsuccessful IBM computer utility and network strategies, to present avoidable **mistakes**, and to **assess** user perception of IBM's new technology, its place within their immediate plans, and its wider implication for the future.

TOPIC VII: INTERNATIONAL

In a perfect world, the IBM user would like to treat overseas installations simply as nodes in a private network. But the world is not perfect for the IBM user, and a special strategy is necessary. The **European PTT's** have exacerbated the international users' dilemma through their **leased line pricing and emphasis on X.25 public packet networks**. IBM users are being forced to accommodate their private network plans with public policy. While IBM users adopt SNA environments in the U.S., they must deal with X.25 overseas.

The current IBM strategy rests not on public networks but on a **private SNA solution**. Either the user or IBM is forced to make costly and non-elegant conversions at the link control level. How will IBM address this problem? When? Can SDLC/SNA and HDLC coexist **efficiently**? How?





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REGISTRATION

THE IBM EVOLVING NETWORK STRATEGY

☐ PALO ALTO
FEBRUARY 13, 14
☐ NEW YORK
MARCH 25, 26

Please make the following reservations to your conference, THE IBM EVOLVING NETWORK STRATEGY. I understand that since room is limited, registrations are accepted as received and a waiting list will be established for registrations over the limit.

I understand that the fee of \$650 includes the attendance of all the sessions, the Yankee Group Research Manual and two lunches. ☐ Palo Alto, February 13-14 ☐ New York, March 25, 26

☐ Enclosed is my check for (\$650 for each attendee. Additional attendees from the same company \$550.

☐ Please bill me for \$ _____

☐ I am a subscriber to The Yankee Group's C/IS Planning Service so there will be no additional charge for this seminar.

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There will be a cancellation charge of \$100 for cancellations received after February 1st. Those registrants failing to notify us of cancellations are liable for the entire fee. Registrations are transferable. Please complete the **Order Registration form** and return it, or call us at (617) 742-2500 or (617) 868-6139. If you need help in getting hotel reservations, please let us know.

☐ I will ☐ I will not need hotel reservations Date(s) _____

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